

Since passage of the
1196

Telecommunications
Act and the
"deregulation" of
cable television,
consumer rates have
increased an average
of 59 percent--with
some areas
experiencing even
more drastic
increases. Cable
modem service costs
remain out of reach
for many households,
and rural and
low-income Americans
have been
selectively
underserved. The
American people are
watching the digital
divide widen even as
the need for access
to high-speed
networks increases.

The FCC, through
this Notice of
Proposed Rulemaking,
recognizes that new
video competition is
entering the market,
as phone companies
(like AT&T and
Verizon) begin to
roll out television
service. The

Commission asks if the telephone companies are slowed or blocked in their expansion by the process of negotiating franchises--the agreements that companies seeking to provide video services sign with local governments that set the terms for building cable television systems.

Does the franchising process need reform? Perhaps. However, the most important issue is not ensuring that the process is changed to benefit telephone companies' interests. Rather, the most important issue is how to ensure that the rights and services of local communities are protected and enriched. We should start with these desired outcomes and work backward to see if the process to deliver them can be

improved. Local governments undoubtedly will--and must--play a key role in any future franchising process.

Though the franchising process has not been perfect, it has been a critical safeguard to protect the interests of consumers and citizens in our local communities. Now that the phone companies are building television systems, local communities are hungry for new competition that could drive down costs, increase options, provide access to local content, and bring us closer to bridging the digital divide.

These franchise agreements guarantee that local governments control rights-of-way and

obtain fair rents from the companies that dig them up to lay cable. They guarantee universal build-out of the technology and its advantages to every household in the community, not just affluent neighborhoods. They guarantee funding and facilities to provide public access television as well as other services like low-cost broadband for our schools and libraries.

As new franchising rules are considered, a number of market realities must be taken into account. There is a distinct lack of independent programming, particularly local independent programming, on cable systems. This is largely the result of vertical and horizontal consolidation among

the largest media companies and cable providers. We are required to buy channels we don't want or need because the cable operators bundle them together. The quality of customer service often reflects the fact that cable television is not a competitive market. The mere presence of satellite providers does not drive down rates nor present an affordable alternative for broadband access.

In many communities, the only truly independent sources of local news, information and culture come from the public channels produced at community media centers. They are the only way many citizens see local government in action and often the only way residents get information about

events happening close to home. Some towns have been able to negotiate for funding to enhance and expand these resources. Others have obtained wired schools and libraries, resources for e-medicine, government efficiency programs and other educational initiatives. All use their negotiating power to ensure the entire community is served.

The risk of supplying "one size fits all" franchises to new providers is the elimination of these and other valuable services that fulfill important public policy aims. There is surely a need for new providers of broadband and video content to enter existing markets, be they private or public.

However, no matter the level at which 'franchises' to new providers are granted -- local, state, or national -- local communities cannot be cut out of the process. They must be allowed to lend their voice to how new video and broadband systems will be implemented and what features will be available to meet future needs.